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RUEKJCS/SECDEF WASHDC PRIORITY

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RUEHLMC/MILLENNIUM CHALLENGE CORP WASHINGTON DC PRIORITY 0791

RUEKJCS/JOINT STAFF WASHDC PRIORITY

RUMIAAA/HQ USSOUTHCOM J5 MIAMI FL PRIORITY

RUEIDN/DNI WASHINGTON DC PRIORITY

RHMFIS/DIRJIATF SOUTH PRIORITY

RHEFDIA/DIA WASHINGTON DC PRIORITY

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C O N F I D E N T I A L SECTION 01 OF 02 TEGUCIGALPA 000795

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TAGS: [ETRD](#) [HO](#) [KDEM](#) [KPAO](#) [PGOV](#) [PREL](#)

SUBJECT: HONDURAS THE MORNING AFTER ALBA: THE POLITICAL  
RESPONSE

REF: A. A: TEGUCIGALPA 789

[1](#)B. B: TEGUCIGALPA 787

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Classified By: Charge d' Affaires, a.i., Simon Henshaw, reasons 1.4 (b  
& d)

[1](#)1. (SBU) Summary: Hondurans were largely offended by the tone and language of the ALBA signing ceremony, especially in Hugo Chavez' speech. President Manuel "Mel" Zelaya has reacted to the public, media and private sector response with his own angry comments, while attempting to mend fences with the USG behind the scenes. The poor showing at the event and subsequent backlash has left him appearing even more isolated. But the leading political candidates, while generally opposed to ALBA, have remained focused on their own individual campaigns. The following cable addresses the political response following the ALBA signing ceremony. See septel for economic implications. End summary.

ALBA the Morning After  
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[1](#)2. (U) In the two days following the August 25 ALBA signing ceremony, the primary impact from the event has been shock and offense. Hondurans are unaccustomed to Chavez' rhetorical style, and during his first visit to Honduras in January 2008, he was remarkably positive and restrained, so his harsh words and insults hit them hard. The "water cooler" conversations are about Chavez' rudeness and how the administration short-changed the people they trucked in for the event (ref A). Furthermore, Hondurans also expressed chagrin -- if not surprise -- at Zelaya's own closing statement that his was now a center-left party "minus the center." A survey taken two days after the ceremony showed that 81 per cent of Tegucigalpa's residents believed signing ALBA was a mistake.

[1](#)3. (C) In response to the general backlash, Zelaya has taken a two-part approach: he is lashing out against the Honduran private sector for their newfound vocal opposition, while trying to appear conciliatory in his communications with the USG. Rather than being his shining moment, the ALBA ceremony

further isolated him. The crowd was apparently a big disappointment to him and to Chavez, both because of its poor turnout (Note: Early estimates of 40,000 have now been adjusted downward to 25,000 or fewer), and the total lack of enthusiasm -- or even understanding -- shown by those who did attend.

¶4. (C) But while the general public has woken up to what ALBA represents, the political party leadership remains caught up in their own candidacies and campaigns to take any lead against ALBA. Though no leading candidate has spoken in favor of ALBA, none has shown a willingness to take a firm stance against it. President of Congress and Liberal Party hopeful Roberto Micheletti poses the biggest question mark; he says he will not support ALBA's ratification, but he has changed his position in the past, and is likely to do whatever he feels is necessary to ensure his chief rival for Liberal Party nomination, Elvin Santos, is kept from running (Ref B). For his part, Santos spent the day of the ALBA event leading protests for his own right to run, with no mention of ALBA. (Note: Santos told PolCouns he purposely wanted to separate his candidacy from the ALBA issue. End Note.) Pepe Lobo, the Nationalist Party's top contender, in his first meeting with the Charge (which will be reported septel) suggested ALBA was Zelaya's effort to finance the remainder of his term in office and open the door to intelligence agents from Venezuela and Cuba, perhaps in an effort to disrupt the electoral process and hold on to power past the end of his term (Note: Party "primaries" are scheduled for November 2008, general elections November 2009, and the presidential inauguration January 2010). But Lobo offered no plan for how to counter such efforts, nor any suggestion that he was ready to join other movements to form a unified front to stop them. He did agree with the Charge

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that isolating Zelaya further would be counterproductive, given the short time remaining in his term.

#### The Public Sector: An Effective Front?

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¶5. (U) The independent press has responded to Chavez' jabs with a concerted effort against him. Every major paper contains editorials against ALBA and Zelaya's latest moves, as well as reports of the private sector's opposition and statements by lawmakers desperately attempting to distance themselves from Chavez and the event. The margins contain discussions about what "piti" term to use for President Zelaya's circle (in response to the "pitiyanqui" slur that filled Chavez' speech, ref A), and tallies of how many times Chavez insulted both the United States and Honduras. And the journalism community is circulating Chavez' proposed &Constitutional Reform Project: Socialist Laws for Venezuela,8 suggesting this proposed legislation in Venezuela is what Honduras can expect down the road. The proposal has even popped up in supermarkets in town, causing quite a stir.

¶6. (C) Much like the press, the traditionally silent private sector has quickly ramped up its vocal criticism. This sector has told us that it normally stays quiet because of both implied and direct threats from Zelaya and his cronies. Businesspeople have told us that immediately after speaking out against the government, the Honduran IRS-equivalent arrives at their door for extensive audits, or their contracts or permits are cancelled. Representatives of COHEP, the private sector association whose president, Almilcar Bulnes, has generally been sympathetic to Zelaya, were quoted as saying: "It is not possible to invite someone to your house and then let him insult everyone who lives there," in response to Chavez' speech. Numerous private sector leaders have expressed dismay over the event, the business implications ALBA brings and Zelaya's angry comments toward them since the ceremony. They have noted that while

the Zelaya government has done little but spend money, it is the private sector that provides the nation with its livelihood. But whether these immediate reactions will turn into a solid movement against ALBA remains unclear.

Comment: What to Watch for Next

17. (U) While no date is firm, ALBA is expected to go before Congress for a ratification vote the first week of September. At present, Zelaya has only approximately 25 of the needed 67 votes lined up to ratify. The question will be what Micheletti will do, as his top priority now is to eliminate rival Elvin Santos from the Liberal Party nomination race, and he could use the ALBA vote as leverage. If ALBA stalls or is voted down, Zelaya may attempt to call for a referendum. While ALBA has little public support and the Zelaya administration has a dwindling political apparatus, a referendum would be an opportunity for his camp to play whatever political cards they think they have left. And finally, Honduras has not yet heard from its political "godfather," former President Carlos Flores. Flores, whom Zelaya has alienated over the course of his administration, owns two of the leading newspapers in the country and still wields tremendous political influence behind the scenes. It should be remembered that Zelaya came into power on the coattails of the Liberal Party, which he has since alienated.

He will also become a virtual lame duck in November, and lacks the support structure that his ALBA colleagues have built in their own countries. End comment.

HENSHAW